



City of Grand Island

Tuesday, April 23, 2019

Council Session

Item I-4

#2019-151 - Consideration of Approving FY 2019-2020 Annual Budget for South Locust Business Improvement District and Setting Date for Board of Equalization

Staff Contact: Patrick Brown, Finance Director

Council Agenda Memo

From: Patrick Brown, Finance Director

Meeting: April 23, 2019

Subject: Approving FY 2019-2020 Annual Budget for South Locust Business Improvement District and setting Date for Board of Equalization

Presenter(s): Patrick Brown, Finance Director

Background

On February 14, 2017, the City Council adopted Ordinance #9623 creating the South Locust Business Improvement District (BID). The creating ordinance established the purpose of the District, described the boundaries, and established that real property in the area would be subject to a special assessment to support the purposes of the District. The creating Ordinance requires that a proposed budget for the District be approved by the BID Board and forwarded to the City Council for consideration. On April 17, 2019 the South Locust BID Board met and approved the 2019-2020 Budget which provides for special assessments in the amount of \$139,849.50 or \$14.25/front foot.

Discussion

The reformation of the South Locust BID that occurred in 2017 created the South Locust BID as a perpetual entity. Where, in the past, it had to be renewed in 3-year terms. A secondary result of the perpetual formation is that the creation of the district as it exists today took longer than usual and resulted in the special assessments for the district being levied “off-cycle” from the City Budget. This misaligned the collection of funds from when the funding is needed. It also leads to confusion when discussing the budget with the BID board and public. The proposed fix to this is for the South Locust BID to levy their special assessment for what is effectively an 18 month time period, which is why the requested amount is higher than it would usually be. The Board also requested that payments are not noted as delinquent until 120 days after the Board of Equalization has levied them. If the 2019-2020 special assessment is approved then the next special assessment for the district will not occur until October of 2020.

In this district, assessments are paid by property owners based on the front footage of the property. Owners are billed for the assessment after approval by City Council sitting as the Board of Equalization on May 28, 2019. The budgeted assessments of \$139,849.50

will be charged to property owners in the district based on their front footage. The BID pays the City a fee of \$1,800 for accounting services. A copy of the proposed 2019-2020 Budget is attached for review.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Approve the proposed Budget for the South Locust BID and set the date for the Board of Equalization.
2. Modify the budget and/or reschedule the Board of Equalization.

Recommendation

City Administration recommends that the Council approve the proposed Budget for the South Locust BID and set the date of May 28, 2019 for the Board of Equalization. Notice of the Hearing and proposed assessments will be published according to State Statutes.

Sample Motion

Move to approve the 2018-2019 Budget for the South Locust BID and set the date of May 28, 2019 for the Board of Equalization.

South Locust BID		2018-2019	2019-2020
2019-2020 Budget		Budget	Budget
April 1, 2019-September 30, 2020			
Front Footage		9,814	9,814
		\$9.25	\$14.25
Budgeted Revenue		\$90,779	\$139,850
REVENUE	94011412		
Planned Carry Over			\$29
74140 Special Assessments		\$90,779	\$139,850
74787 Interest Revenue			
74795 Other Revenue (Grant funding)			\$50,000
		\$90,779	\$189,879
APPROPRIATIONS			
Account			
85213 Contract Services		\$50,000	\$90,000
85245 Printing & Binding Services			
85249 Snow & Ice Removal		\$3,000	\$3,000
85290 Other Professional & Technical			
85305 Utility Services		\$8,000	\$16,000
85319 Repair & Maintenance - Land Improv		\$22,500	\$55,500
85325 Repair & Maintenance - M & E			
85390 Other Property Services			
85413 Postage		\$250	\$250
85416 Advertising			
85419 Legal Notices		\$500	\$1,000
85490 Other Expenditures		\$1,000	\$1,000
85505 Office Supplies			
85560 Trees & Shrubs		\$4,000	\$4,000
85590 Other General Supplies			
85608 Land Improvements		\$1,500	\$19,000
TOTAL OPERATING EXPENSE			
		\$90,750	\$189,750
ANNUAL EXCESS/(LOSS)		\$29	\$129

RESOLUTION 2019-151

WHEREAS, the City Council has considered the proposed budget of the South Locust Business Improvement District for their fiscal year 2019-2020; and

WHEREAS, the City has received the front footage amounts for the individual properties within the South Locust Business Improvement District as shown in the office of the Hall County Assessor in effect on the first day of January, 2019.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that:

1. The budget for the South Locust Business Improvement District is hereby considered.
2. A proposed assessment schedule shall be prepared.
3. A hearing before the City Council sitting as a Board of Equalization on the proposed assessments shall be held on May 28, 2019 at 7:00 p.m. in the City Council chambers of City Hall 100 East First Street, Grand Island NE.
4. Notice of hearing shall be published once each week for three consecutive weeks in accordance with the Business Improvement District Act.
5. Notice of hearing shall be mailed to all property owners of the South Locust Business Improvement District by U.S. Mail, postage prepaid

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Adopted by the City Council of the City of Grand Island, Nebraska, April 23, 2019.

Roger G. Steele, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	<input type="checkbox"/> _____
April 19, 2019	<input type="checkbox"/> City Attorney